

1 **DEPARTMENT OF TRANSPORTATION**

2 **EXECUTIVE BUDGET BILL**

3 A bill to make appropriations for the state transportation
4 department and certain transportation purposes for the fiscal year
5 ending September 30, 2009; to provide for the imposition of fees;
6 to provide for reports; to create certain funds and programs; to
7 prescribe requirements for certain railroad and bus facilities; to
8 prescribe certain powers and duties of certain state departments
9 and officials and local units of government; and to provide for the
10 expenditure of the appropriations.

11
12 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

13 **PART 1**

14 **LINE-ITEM APPROPRIATIONS**

15 Sec. 101. Subject to the conditions set forth in this bill,
16 the amounts listed in this part are appropriated for the state
17 transportation department and certain state purposes designated in
18 this bill for the fiscal year ending September 30, 2009, from the
19 funds indicated in this part. The following is a summary of the
20 appropriations in this part:

21 **STATE TRANSPORTATION DEPARTMENT**

22 **APPROPRIATION SUMMARY:**

23 Full-time equated unclassified positions6.0
24 Full-time equated classified positions3,008.3
25 GROSS APPROPRIATION..... \$ 3,424,465,500

1	Interdepartmental grant revenues:	
2	Total interdepartmental grants and intradepartmental	
3	transfers	0
4	ADJUSTED GROSS APPROPRIATION.....	\$ 3,424,465,500
5	Federal revenues:	
6	Total federal revenues.....	1,316,771,200
7	Special revenue funds:	
8	Total local revenues.....	40,950,000
9	Total private revenues.....	0
10	Total other state restricted revenues.....	2,066,744,300
11	State general fund/general purpose.....	\$ 0
12	Sec. 102. DEBT SERVICE	
13	State trunkline.....	\$ 139,253,700
14	Economic development.....	14,450,000
15	Local bridge fund.....	3,000,000
16	Blue Water Bridge.....	1,977,400
17	Airport safety and protection plan.....	3,430,900
18	Comprehensive transportation.....	<u>29,891,600</u>
19	GROSS APPROPRIATION.....	\$ 192,003,600
20	Appropriated from:	
21	Federal revenues:	
22	DOT-FHWA, highway research, planning, and construction	22,783,300
23	Special revenue funds:	
24	Blue Water Bridge fund.....	1,977,400
25	Comprehensive transportation fund.....	29,891,600
26	Economic development fund.....	14,450,000
27	Local bridge fund.....	3,000,000
28	State aeronautics fund.....	3,430,900
29	State trunkline fund.....	116,470,400

1	State general fund/general purpose.....	\$	0
2	Sec. 103. COLLECTION, ENFORCEMENT AND OTHER AGENCY		
3	SUPPORT SERVICES		
4	Michigan transportation fund (MTF)		
5	MTF grant to department of environmental quality.....	\$	1,247,900
6	MTF grant to department of state for collection of		
7	revenue and fees		20,000,000
8	MTF grant to department of treasury.....		7,250,800
9	MTF grant to legislative auditor general.....		204,300
10	State trunkline fund (STF)		
11	STF grant to department of attorney general.....		2,821,100
12	STF grant to civil service commission.....		5,044,000
13	STF grant to department of history, arts and		
14	libraries		110,900
15	STF grant to department of management and budget.....		1,445,300
16	STF grant to department of state police.....		9,593,400
17	STF grant to department of treasury.....		180,200
18	STF grant to legislative auditor general.....		474,600
19	State aeronautics fund (SAF)		
20	SAF grant to department of attorney general.....		157,700
21	SAF grant to civil service commission.....		56,000
22	SAF grant to department of history, arts and		
23	libraries		2,500
24	SAF grant to department of management and budget.....		32,300
25	SAF grant to department of treasury.....		72,400
26	SAF grant to legislative auditor general.....		19,600
27	Comprehensive transportation fund (CTF)		
28	CTF grant to attorney general.....		159,800
29	CTF grant to civil service commission.....		95,000

1	CTF grant to department of history, arts and	
2	libraries	3,900
3	CTF grant to department of management and budget	51,300
4	CTF grant to department of treasury	1,600
5	CTF grant to legislative auditor general	<u>25,200</u>
6	GROSS APPROPRIATION	\$ 49,049,800
7	Appropriated from:	
8	Special revenue funds:	
9	Comprehensive transportation fund	336,800
10	Michigan transportation fund	28,703,000
11	State aeronautics fund	340,500
12	State trunkline fund	19,669,500
13	State general fund/general purpose	\$ 0
14	Sec. 104. EXECUTIVE DIRECTION	
15	Full-time equated unclassified positions6.0	
16	Full-time equated classified positions31.3	
17	Unclassified salaries	\$ 602,800
18	Asset management council	1,626,400
19	Commission audit--31.3 FTE positions	<u>3,513,100</u>
20	GROSS APPROPRIATION	\$ 5,742,300
21	Appropriated from:	
22	Special revenue funds:	
23	Michigan transportation fund	1,626,400
24	State trunkline fund	4,115,900
25	State general fund/general purpose	\$ 0
26	Sec. 105. BUSINESS SUPPORT	
27	Full-time equated classified positions57.0	
28	Business support services--48.0 FTE positions	\$ 5,973,700
29	Economic development and enhancement programs--9.0	

1	FTE positions	1,155,300
2	Property management	7,972,400
3	Worker's compensation	<u>2,064,000</u>
4	GROSS APPROPRIATION	\$ 17,165,400
5	Appropriated from:	
6	Special revenue funds:	
7	Comprehensive transportation fund	1,097,000
8	Economic development fund	495,700
9	Michigan transportation fund	179,600
10	State aeronautics fund	596,800
11	State trunkline fund	14,796,300
12	State general fund/general purpose	\$ 0
13	Sec. 106. INFORMATION TECHNOLOGY	
14	Information technology services and projects	\$ <u>28,496,200</u>
15	GROSS APPROPRIATION	\$ 28,496,200
16	Appropriated from:	
17	Federal revenues:	
18	DOT-FHWA, highway research, planning, and construction	500,300
19	Special revenue funds:	
20	Blue Water Bridge fund	46,800
21	Comprehensive transportation fund	183,500
22	Economic development fund	37,100
23	Michigan transportation fund	242,600
24	State aeronautics fund	143,200
25	State trunkline fund	27,342,700
26	State general fund/general purpose	\$ 0
27	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES	
28	Full-time equated classified positions	242.5
29	Financial and contractual services	

1	Financial operations--80.0 FTE positions.....	\$	7,934,500
2	Contract services--52.6 FTE positions.....		5,059,700
3	Departmental services--41.9 FTE positions.....		5,273,000
4	Performance excellence--13.0 FTE positions.....		1,522,800
5	Welcome center operations--55.0 FTE positions.....		<u>4,896,500</u>
6	GROSS APPROPRIATION.....	\$	24,686,500
7	Appropriated from:		
8	Special revenue funds:		
9	Michigan transportation fund.....		1,804,000
10	State trunkline fund.....		22,882,500
11	State general fund/general purpose.....	\$	0
12	Sec. 108. TRANSPORTATION PLANNING		
13	Full-time equated classified positions		177.0
14	Statewide planning services--125.0 FTE positions.....	\$	13,253,300
15	Data collection services--52.0 FTE positions.....		5,716,100
16	Specialized planning services and local studies.....		16,698,200
17	Grants to regional planning councils.....		<u>488,800</u>
18	GROSS APPROPRIATION.....	\$	36,156,400
19	Appropriated from:		
20	Federal revenues:		
21	DOT-FHWA, highway research, planning, and construction		22,000,000
22	Special revenue funds:		
23	Comprehensive transportation fund.....		960,300
24	Michigan transportation fund.....		6,304,500
25	State aeronautics fund.....		75,000
26	State trunkline fund.....		6,816,600
27	State general fund/general purpose.....	\$	0
28	Sec. 109. DESIGN AND ENGINEERING SERVICES		
29	Full-time equated classified positions		1,496.8

1	Engineering services--787.1 FTE positions.....	\$	58,736,800
2	Program services--698.7 FTE positions.....		39,193,800
3	Intelligent transportation systems operations--11.0		
4	FTE positions		<u>10,097,900</u>
5	GROSS APPROPRIATION.....	\$	108,028,500
6	Appropriated from:		
7	Federal revenues:		
8	DOT-FHWA, highway research, planning, and construction		18,912,600
9	Special revenue funds:		
10	Michigan transportation fund.....		5,636,100
11	State trunkline fund.....		83,479,800
12	State general fund/general purpose.....	\$	0
13	Sec. 110. HIGHWAY MAINTENANCE		
14	Full-time equated classified positions832.7		
15	State trunkline operations--832.7 FTE positions.....	\$	134,867,900
16	Contract operations.....		<u>149,860,300</u>
17	GROSS APPROPRIATION.....	\$	284,728,200
18	Appropriated from:		
19	Special revenue funds:		
20	State trunkline fund.....		284,728,200
21	State general fund/general purpose.....	\$	0
22	Sec. 111. ROAD AND BRIDGE PROGRAMS		
23	State trunkline federal aid and road and bridge		
24	construction	\$	1,043,058,100
25	Local federal aid and road and bridge construction....		309,592,000
26	Grants to local programs.....		33,000,000
27	Rail grade crossing.....		3,000,000
28	Local bridge fund.....		28,336,800
29	County road commissions.....		598,102,100

1	Cities and villages.....	333,468,700
2	GROSS APPROPRIATION.....	\$ 2,348,557,700
3	Appropriated from:	
4	Federal revenues:	
5	DOT-FHWA, highway research, planning, and construction	1,202,012,900
6	Special revenue funds:	
7	Local funds.....	30,000,000
8	Blue Water Bridge fund.....	7,107,300
9	Local bridge fund.....	28,336,800
10	Michigan transportation fund.....	967,570,800
11	State trunkline fund.....	113,529,900
12	State general fund/general purpose.....	\$ 0
13	Sec. 112. BLUE WATER BRIDGE	
14	Full-time equated classified positions	41.0
15	Blue Water Bridge operations--41.0 FTE positions.....	\$ 5,328,500
16	GROSS APPROPRIATION.....	\$ 5,328,500
17	Appropriated from:	
18	Special revenue funds:	
19	Blue Water Bridge fund.....	5,328,500
20	State general fund/general purpose.....	\$ 0
21	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	
22	Forest roads.....	\$ 5,000,000
23	Rural county urban system.....	2,500,000
24	Target industries/economic redevelopment.....	19,146,000
25	Urban county congestion.....	7,823,100
26	Rural county primary.....	7,823,100
27	GROSS APPROPRIATION.....	\$ 42,292,200
28	Appropriated from:	
29	Special revenue funds:	

1	Economic development fund.....	42,292,200
2	State general fund/general purpose.....	\$ 0
3	Sec. 114. AERONAUTICS AND FREIGHT SERVICES	
4	Full-time equated classified positions	84.0
5	Airport improvement services--30.0 FTE positions.....	\$ 2,865,900
6	Aviation services--26.0 FTE positions.....	4,275,000
7	Freight and safety services--28.0 FTE positions.....	3,499,400
8	Air service program.....	<u>700,000</u>
9	GROSS APPROPRIATION.....	\$ 11,340,300
10	Appropriated from:	
11	Special revenue funds:	
12	Comprehensive transportation fund.....	1,514,000
13	Michigan transportation fund.....	1,985,400
14	State aeronautics fund.....	7,840,900
15	State general fund/general purpose.....	\$ 0
16	Sec. 115. PUBLIC TRANSPORTATION SERVICES	
17	Full-time equated classified positions	46.0
18	Passenger transportation services--46.0 FTE positions.	\$ <u>5,339,400</u>
19	GROSS APPROPRIATION.....	\$ 5,339,400
20	Appropriated from:	
21	Federal revenues:	
22	DOT, federal transit act.....	762,100
23	Special revenue funds:	
24	Comprehensive transportation fund.....	4,379,300
25	Michigan transportation fund.....	198,000
26	State general fund/general purpose.....	\$ 0
27	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
28	Local bus operating.....	\$ 166,624,000
29	Nonurban operating/capital.....	<u>19,300,000</u>

1	GROSS APPROPRIATION.....	\$	185,924,000
2	Appropriated from:		
3	Federal revenues:		
4	DOT, federal transit act.....		18,500,000
5	Special revenue funds:		
6	Local funds.....		800,000
7	Comprehensive transportation fund.....		166,624,000
8	State general fund/general purpose.....	\$	0
9	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
10	Freight property management.....	\$	1,000,000
11	Detroit/Wayne County port authority.....		500,000
12	Intercity services.....		7,425,000
13	Rail passenger service.....		7,900,000
14	Freight preservation and development.....		5,092,900
15	Rail infrastructure loan program.....		300,000
16	Marine passenger services.....		400,000
17	Terminal development.....		<u>550,000</u>
18	GROSS APPROPRIATION.....	\$	23,167,900
19	Appropriated from:		
20	Federal revenues:		
21	DOT, federal transit act.....		4,500,000
22	DOT-FRA, local rail service assistance.....		100,000
23	DOT-FRA, rail passenger/HSGT.....		1,000,000
24	Special revenue funds:		
25	Local funds.....		50,000
26	Comprehensive transportation fund.....		14,517,900
27	Intercity bus equipment fund.....		1,000,000
28	Rail freight fund.....		2,000,000
29	State general fund/general purpose.....	\$	0

1	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
2	Specialized services.....	\$ 9,500,100
3	Municipal credit program.....	2,000,000
4	Bus capital.....	34,403,000
5	Van pooling.....	195,000
6	Service initiatives.....	1,116,500
7	Transportation to work.....	<u>9,244,000</u>
8	GROSS APPROPRIATION.....	\$ 56,458,600
9	Appropriated from:	
10	Federal revenues:	
11	DOT, federal transit act.....	25,700,000
12	Special revenue funds:	
13	Local funds.....	10,100,000
14	Comprehensive transportation fund.....	20,658,600
15	State general fund/general purpose.....	\$ 0

17 PART 2

18 PROVISIONS CONCERNING APPROPRIATIONS

19 **GENERAL SECTIONS**

20 Sec. 201. Pursuant to section 30 of article IX of the state
21 constitution of 1963, total state spending from state resources
22 under part 1 for fiscal year 2008-2009 is \$2,066,744,300.00 and
23 state spending from state resources to be paid to local units of
24 government for fiscal year 2008-2009 is \$1,221,559,700.00. The
25 itemized statement below identifies appropriations from which
26 spending to units of local government will occur:

27 DEPARTMENT OF TRANSPORTATION

28	Grants to local programs.....	\$ 33,000,000
29	Economic development fund.....	40,292,200

1	Grants to cities and villages.....	333,468,700
2	Grants to county road commissions.....	598,102,100
3	Local bridge fund.....	28,336,800
4	Grants to regional planning councils.....	488,800
5	Local bus operating.....	166,624,000
6	Bus capital.....	9,403,000
7	Marine passenger service.....	400,000
8	Detroit/Wayne County port authority.....	500,000
9	Municipal credit program.....	2,000,000
10	Specialized services.....	4,100,100
11	Transportation to work.....	4,844,000
12	Total payments to local units of government.....	\$ 1,221,559,700

13 Sec. 202. The appropriations authorized under this bill are
14 subject to the management and budget act, 1984 PA 431, MCL 18.1101
15 to 18.1594.

16 Sec. 203. As used in this bill:

17 (a) "CTF" means comprehensive transportation fund.

18 (b) "Department" means the department of transportation.

19 (c) "DOT" means the United States department of
20 transportation.

21 (d) "DOT-FHWA" means DOT, federal highway administration.

22 (e) "DOT-FRA" means DOT, federal railroad administration.

23 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
24 administration, high-speed ground transportation.

25 (g) "EDF" means economic development fund.

26 (h) "FTE" means full-time equated.

27 (i) "MTF" means Michigan transportation fund.

28 (j) "RIF" means recreation improvement fund.

29 (k) "SAF" means state aeronautics fund.

1 (1) "STF" means state trunkline fund.

2 Sec. 204. The civil service commission shall bill the
3 departments and agencies at the end of the first fiscal quarter for
4 the 1% charge authorized by section 5 of article XI of the state
5 constitution of 1963. Payments shall be made for the total amount
6 of the billing by the end of the second fiscal quarter.

7 Sec. 205. (1) A hiring freeze is imposed on the state
8 classified civil service. State departments and agencies are
9 prohibited from hiring any new full-time state classified civil
10 service employees and prohibited from filling any vacant state
11 classified civil service positions. This hiring freeze does not
12 apply to internal transfers of classified employees from 1 position
13 to another within a department.

14 (2) The state budget director may grant exceptions to this
15 hiring freeze when the state budget director believes that the
16 hiring freeze will result in rendering a state department or agency
17 unable to deliver basic services, cause loss of revenue to the
18 state, result in the inability of the state to receive federal
19 funds, or necessitate additional expenditures that exceed any
20 savings from maintaining a vacancy. The state budget director shall
21 report quarterly to the chairpersons of the senate and house of
22 representatives standing committees on appropriations the number of
23 exceptions to the hiring freeze approved during the previous
24 quarter and the reasons to justify the exception.

25 Sec. 206. (1) In addition to the funds appropriated in part 1,
26 there is appropriated an amount not to exceed \$200,000,000.00 for
27 federal contingency funds. These funds are not available for
28 expenditure until they have been transferred to another line item

1 in this bill pursuant to section 393(2) of the management and
2 budget act, 1984 PA 431, MCL 18.1393.

3 (2) In addition to the funds appropriated in part 1, there is
4 appropriated an amount not to exceed \$40,000,000.00 for state
5 restricted contingency funds. These funds are not available for
6 expenditure until they have been transferred to another line item
7 in this bill pursuant to section 393(2) of the management and
8 budget act, 1984 PA 431, MCL 18.1393.

9 (3) In addition to the funds appropriated in part 1, there is
10 appropriated an amount not to exceed \$1,000,000.00 for local
11 contingency funds. These funds are not available for expenditure
12 until they have been transferred to another line item in this bill
13 pursuant to section 393(2) of the management and budget act, 1984
14 PA 431, MCL 18.1393.

15 (4) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$1,000,000.00 for private
17 contingency funds. These funds are not available for expenditure
18 until they have been transferred to another line item in this bill
19 pursuant to section 393(2) of the management and budget act, 1984
20 PA 431, MCL 18.1393.

21 Sec. 208. The department shall use the Internet to fulfill the
22 reporting requirements of this bill. This requirement may include
23 transmission of reports via electronic mail to the recipients
24 identified for each reporting requirement or it may include
25 placement of reports on an Internet or Intranet site.

26 Sec. 209. Funds appropriated in part 1 shall not be used for
27 the purchase of foreign goods or services, or both, if
28 competitively priced and of comparable quality American goods or
29 services, or both, are available. Preference shall be given to

1 goods or services, or both, manufactured or provided by Michigan
2 businesses, if they are competitively priced and of comparable
3 quality. In addition, preference shall be given to goods or
4 services, or both, that are manufactured or provided by Michigan
5 businesses owned and operated by veterans, if they are
6 competitively priced and of comparable quality.

7 Sec. 210. The director shall take all reasonable steps to
8 ensure businesses in deprived and depressed communities compete for
9 and perform contracts to provide services or supplies, or both. The
10 director shall strongly encourage firms with which the department
11 contracts to subcontract with certified businesses in deprived and
12 depressed communities for services, supplies, or both.

13 Sec. 258. Amounts appropriated in part 1 for information
14 technology may be designated as work projects and carried forward
15 to support technology projects under the direction of the
16 department of information technology. Funds designated in this
17 manner are not available for expenditure until approved as work
18 projects under section 451a of the management and budget act, 1984
19 PA 431, MCL 18.1451a.

20 Sec. 259. From the funds appropriated in part 1 for
21 information technology, the department shall pay user fees to the
22 department of information technology for technology-related
23 services and projects. Such user fees shall be subject to
24 provisions of an interagency agreement between the department and
25 the department of information technology.

26 Sec. 260. (1) Due to the current budgetary problems in this
27 state, out-of-state travel for fiscal year ending September 30,
28 2009 shall be limited to situations in which 1 or more of the
29 following conditions apply:

1 (a) The travel is required by legal mandate or court order or
2 for law enforcement purposes.

3 (b) The travel is necessary to protect the health or safety of
4 Michigan citizens or visitors or to assist other states in similar
5 circumstances.

6 (c) The travel is necessary to produce budgetary savings or to
7 increase state revenues, including protecting existing federal
8 funds or securing additional federal funds.

9 (d) The travel is necessary to comply with federal
10 requirements.

11 (e) The travel is necessary to secure specialized training for
12 staff that is not available within this state.

13 (f) The travel is financed entirely by federal or nonstate
14 funds.

15 (2) If out-of-state travel is necessary but does not meet 1 or
16 more of the conditions in subsection (1), the state budget director
17 may grant an exception to allow the travel. Any exceptions granted
18 by the state budget director shall be reported on a monthly basis
19 to the house and senate standing committees on appropriations.

20 (3) Not later than January 1 of each year, each department
21 shall prepare a travel report listing all travel by classified and
22 unclassified employees outside this state in the immediately
23 preceding fiscal year that was funded in whole or in part with
24 funds appropriated in the department's budget. The report shall be
25 submitted to the house and senate standing committees on
26 appropriations, the senate and house fiscal agencies, and the state
27 budget director. The report shall include the following
28 information:

1 (a) The name of each person receiving reimbursement for travel
2 outside this state or whose travel costs were paid by this state.

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

5 (d) A brief statement of the reason for each travel
6 occurrence.

7 (e) The transportation and related costs of each travel
8 occurrence, including the proportion funded with state general
9 fund/general purpose revenues, the proportion funded with state
10 restricted revenues, the proportion funded with federal revenues,
11 and the proportion funded with other revenues.

12 (f) A total of all out-of-state travel funded for the
13 immediately preceding fiscal year.

14 Sec. 262. Funds appropriated in part 1 shall not be used by a
15 principal executive department, state agency, or authority to hire
16 a person to provide legal services that are the responsibility of
17 the attorney general. This prohibition does not apply to legal
18 services for bonding activities and for those activities that the
19 attorney general authorizes.

20 **DEPARTMENTAL SECTIONS**

21 Sec. 301. (1) The department may establish a fee schedule and
22 collect fees sufficient to cover the costs to issue the permits
23 that the department is authorized by law to issue upon request,
24 unless otherwise stipulated by law. All permit fees are
25 nonrefundable application fees and shall be credited to the state
26 trunkline fund to recover the direct and indirect costs of
27 receiving, reviewing, and processing the requests.

28 (2) A bridge authority shall hold 3 public hearings on an
29 increase in any toll charged by the authority at least 30 days

1 before the toll change will become effective. Two of the hearings
2 shall be held within 5 miles of the bridge over which the bridge
3 authority has jurisdiction. One hearing shall be held in Lansing.
4 Public hearings held under this section shall be conducted in
5 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
6 15.275, and shall be conducted so as to provide a reasonable
7 opportunity for public comment, including both spoken and written
8 comments.

9 Sec. 304. If, as a requirement of bidding on a highway
10 project, the department requires a contractor to submit financial
11 or proprietary documentation as to how the bid was calculated, that
12 bid documentation shall be kept confidential and shall not be
13 disclosed other than to a department representative without the
14 contractor's written consent. The department may disclose the bid
15 documentation if necessary to address or defend a claim by a
16 contractor.

17 Sec. 305. The department may permit space on public passenger
18 transportation properties to be occupied by public or private
19 tenants on a competitive market rate basis. The department shall
20 require that revenue from the tenants be placed in an account to be
21 used to pay the costs to maintain and improve the property.

22 Sec. 306. (1) The amounts appropriated in section 103 to
23 support tax and fee collection, law enforcement, and other program
24 services provided to the department and to transportation funds by
25 other state departments shall be expended from transportation funds
26 pursuant to annual contracts between the department and those other
27 state departments. The contracts shall be executed prior to the
28 expenditure or obligation of those funds. The contracts shall

1 provide, but are not limited to, the following data applicable to
2 each state department.

3 (a) Estimated costs to be recovered from transportation funds.

4 (b) Description of services provided to the department and/or
5 transportation funds and financed with transportation funds.

6 (c) Detailed cost allocation methods appropriate to the type
7 of services being provided and the activities financed with
8 transportation funds.

9 (2) Not later than 2 months after publication of the state of
10 Michigan comprehensive annual financial report, each state
11 department receiving funding pursuant to an interdepartment
12 contract with the department shall submit a written report to the
13 department, the state budget director, and the house and senate
14 fiscal agencies stating by spending authorization account the
15 amount of estimated funds contracted with the department, the
16 amount of funds expended, the amount of funds returned to the
17 transportation funds, and any unreimbursed transportation-related
18 costs incurred but not billed to transportation funds. A copy of
19 the report shall be submitted to the auditor general, and the
20 report shall be subject to audit by the auditor general as provided
21 in subsection (3).

22 (3) Biennially, in each even-numbered fiscal year, the auditor
23 general shall conduct an audit of charges to transportation funds
24 by state departments for the 2 preceding fiscal years. The audit
25 shall include both charges governed by interdepartmental contracts
26 as well as miscellaneous charges from other state departments not
27 governed by contracts. The auditor general shall prepare a detailed
28 report, with recommendations and conclusions, including a summary
29 of charges and related services to transportation funds by

1 department, the appropriateness of those charges, the cost
2 allocation methodologies used in determining the level of funding,
3 and any unreimbursed transportation-related costs, if any. The
4 report shall be provided to the senate and house of representatives
5 committees on appropriations, the senate and house fiscal agencies,
6 and the state budget director 9 months after publication of the
7 state of Michigan comprehensive annual financial report.

8 Sec. 307. Before March 1 of each year, the department will
9 provide to the legislature, the state budget director, and the
10 house and senate fiscal agencies its rolling 5-year plan listing by
11 county or by county road commission all highway construction
12 projects for the fiscal year and all expected projects for the
13 ensuing fiscal years.

14 Sec. 308. The department and local road agencies that receive
15 appropriations under this bill shall pursue compliance with
16 contract specifications for construction and maintenance of state
17 highways and local roads and streets. Work shall not be accepted
18 and paid for until it complies with contract requirements.
19 Contractors with unsatisfactory performance ratings shall be
20 restricted from future bidding through the prequalification process
21 established by the department or a local road agency.

22 Sec. 309. The department shall continue its efforts to reduce
23 administrative costs and provide the maximum funding possible for
24 construction projects.

25 Sec. 310. The department shall provide in a timely manner
26 copies of the agenda and approved minutes of monthly transportation
27 commission meetings to the members of the house and senate
28 appropriations subcommittees on transportation, the house and
29 senate fiscal agencies, and the state budget director.

1 Sec. 312. At the close of the fiscal year, any unencumbered
2 and unexpended balance in the state trunkline fund shall remain in
3 the state trunkline fund and shall carry forward and is
4 appropriated for federal aid road and bridge programs for projects
5 contained in the annual state transportation program.

6 Sec. 313. (1) From funds appropriated in part 1, the
7 department may increase a state infrastructure bank program and
8 grant or loan funds in accordance with regulations of the state
9 infrastructure bank program of the United States department of
10 transportation. The state infrastructure bank is to be administered
11 by the department for the purpose of providing a revolving, self-
12 sustaining resource for financing transportation infrastructure
13 projects.

14 (2) In addition to funds provided in subsection (1), money
15 received by the state as federal grants, repayment of state
16 infrastructure bank loans, or other reimbursement or revenue
17 received by the state as a result of projects funded by the program
18 and interest earned on that money shall be deposited in the
19 revolving state infrastructure bank fund and shall be available for
20 transportation infrastructure projects. At the close of the fiscal
21 year, any unencumbered funds remaining in the state infrastructure
22 bank fund shall remain in the fund and be carried forward into the
23 succeeding fiscal year.

24 Sec. 319. The department shall post signs at each rest area to
25 identify the agency or contractor responsible for maintenance of
26 the rest area. The signs shall include a department telephone
27 number and shall indicate that unsafe or unclean conditions at the
28 rest area may be reported to that telephone number.

1 Sec. 324. From the funds appropriated in part 1, up to
2 \$500,000.00 from the state trunkline fund shall be used for
3 enhanced construction zone traffic law enforcement and the "give
4 'em a brake" campaign. The funding shall be used to reimburse law
5 enforcement agencies for costs associated with construction zone
6 traffic enforcement. The funding shall be provided based on
7 approved memoranda of understanding between the department and
8 participating law enforcement agencies.

9 Sec. 334. The department shall continue its program to
10 increase the use of women- and minority-owned businesses in state
11 and local road construction projects. This program shall comprise,
12 at a minimum, outreach and education efforts to inform women- and
13 minority-owned firms of department competitive bidding processes
14 and requirements, and an assessment of the availability of surety
15 for women- and minority-owned businesses.

16 Sec. 375. The department is prohibited from reimbursing
17 contractors or consultants for costs associated with groundbreaking
18 ceremonies, receptions, open houses, or press conferences related
19 to transportation projects funded, in whole or in part, by revenue
20 appropriated in part 1.

21 **FEDERAL**

22 Sec. 401. Within 30 days of receiving the applicable fiscal
23 year authorization from the federal government to commit
24 transportation funds, the department shall notify local agency
25 representatives, the senate and house of representatives
26 appropriation transportation subcommittees, the senate and house
27 fiscal agencies, and the state budget director regarding the amount
28 of federal aid for categorical allocations to state and local

1 agency programs not specifically allocated in either federal or
2 state law.

3 Sec. 402. A portion of the federal DOT-FHWA highway research,
4 planning, and construction funds made available to the state shall
5 be allocated to transportation programs administered by local
6 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
7 247.660o. A local road agency, with respect to a project approved
8 for federal aid funding in a state transportation improvement
9 program, may enter into a voluntary buyout agreement with the
10 department or with another local road agency to exchange the
11 federal aid with state restricted transportation funds as agreed to
12 by the respective parties. The state-restricted transportation
13 funds received in exchange for federal aid funds shall be used for
14 the same purpose as the federal aid funds were originally intended.

15 **MICHIGAN TRANSPORTATION FUND**

16 Sec. 501. The money received under the motor carrier act, 1933
17 PA 254, MCL 475.1 to 479.43, and not appropriated to the department
18 of labor and economic growth or the department of state police is
19 deposited in the Michigan transportation fund.

20 Sec. 502. The department of treasury shall perform audits and
21 make investigations of the disposition of all state funds received
22 by county road commissions or county boards of commissioners, as
23 applicable, and cities and villages for transportation purposes to
24 determine compliance with the terms and conditions of 1951 PA 51,
25 MCL 247.651 to 247.675. County road commissions or county boards of
26 commissioners, as applicable, and cities and villages shall make
27 available to the department of treasury the pertinent records for
28 the audit.

1 Sec. 503. (1) The funds appropriated in part 1 for the
2 economic development and local bridge programs shall not lapse at
3 the end of the fiscal year but shall carry forward each fiscal year
4 for the purposes for which appropriated in accordance with 1987 PA
5 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
6 247.660.

7 (2) Interest earned in the department of transportation
8 economic development fund and local bridge fund shall remain in the
9 respective funds and shall be allocated to the respective programs
10 based on actual interest earned at the end of each fiscal year.

11 (3) The department of transportation economic development fund
12 and local bridge fund may receive and expend federal, local, or
13 private funds or restricted source funds such as interest earnings
14 for projects that are consistent with the programmatic mission of
15 the respective funds in addition to funds appropriated in part 1.

16 (4) None of the funds statutorily dedicated to the
17 transportation economic development fund and local bridge fund
18 shall be diverted to other projects.

19 Sec. 504. Funds from the Michigan transportation fund (MTF)
20 shall be distributed to the comprehensive transportation fund
21 (CTF), the economic development fund (EDF), the recreation
22 improvement fund (RIF), and the state trunkline fund (STF), in
23 accordance with this bill and part 711 of the natural resources and
24 environmental protection act, 1994 PA 451, MCL 324.71101 to
25 324.71108, and may only be used as specified in this act, 1951 PA
26 51, MCL 247.651 to 247.675, and part 711 of the natural resources
27 and environmental protection act, 1994 PA 451, MCL 324.71101 to
28 324.71108.

29 **STATE TRUNKLINE FUND**

1 Sec. 601. The department shall work with the road construction
2 industry and engineering consulting community to develop
3 performance and road construction warranties for construction
4 contracts. The development of warranties shall include warranties
5 on materials, workmanship, performance criteria, and design/build
6 projects.

7 Sec. 602. If the department uses manufactured pipe for road
8 construction drainage, the department shall require that pipe used
9 under certain load-bearing conditions beneath the roadway meets the
10 standards established by the American society for testing and
11 materials (ASTM) or American association of state highway and
12 transportation officials (AASHTO). The department may also use the
13 mandrel test for manufactured pipe 60 days after installation.

14 **COMPREHENSIVE TRANSPORTATION FUND**

15 Sec. 701. Money that is received by the state as a lease
16 payment for state-owned intercity bus equipment is not money to be
17 deposited in the comprehensive transportation fund under section
18 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
19 an intercity bus equipment fund for appropriation for the purchase
20 and repair of intercity bus equipment. Proceeds received by the
21 state from the sale of intercity bus equipment are deposited in an
22 intercity bus equipment fund for appropriation for the purchase and
23 repair of intercity bus equipment. Security deposits from the lease
24 of state-owned intercity bus equipment not returned to the lessee
25 of the equipment under terms of the lease agreement are deposited
26 in an intercity bus equipment fund for appropriation for the repair
27 of intercity bus equipment. At the close of the fiscal year, any
28 funds remaining in the intercity bus equipment fund shall remain in
29 the fund and be carried forward into the succeeding fiscal year.

1 Sec. 702. Money that is received by the state as repayment for
2 loans made for rail or water freight capital projects, and as a
3 result of the sale of property or equipment used or projected to be
4 used for rail or water freight projects shall be deposited in the
5 fund created by section 17 of the state transportation preservation
6 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
7 year, any funds remaining in the rail freight fund shall remain in
8 the fund and be carried forward into the succeeding fiscal year.

9 Sec. 705. Funds appropriated in part 1 for the rail
10 infrastructure loan program shall be credited to the rail
11 infrastructure loan fund established in section 15a of the state
12 transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

13 Sec. 706. The Detroit/Wayne County port authority shall issue
14 a complete operations assessment and a financial disclosure
15 statement. The operations assessment shall include operational
16 goals for the next 5 years and recommendations to improve land
17 acquisition and development efficiency. The report shall be
18 completed and submitted to the house of representatives and senate
19 appropriations subcommittees on transportation, the state budget
20 director, and the house and senate fiscal agencies by February 15
21 of each fiscal year for the prior fiscal year.

22 Sec. 708. If funds appropriated in part 1 are used to provide
23 state-owned or state-leased buses to private intercity bus
24 carriers, the department shall charge not less than \$1,000.00 per
25 bus per year for their use.

26 Sec. 711. (1) From the funds appropriated in part 1 from the
27 comprehensive transportation fund for rail passenger service, the
28 department shall negotiate with a rail carrier to provide rail
29 service between Grand Rapids and Chicago and between Port Huron and

1 Chicago on a 7-day basis, consistent with the other provisions of
2 this section.

3 (2) The rail carrier shall, as a condition to receiving a
4 state operating subsidy, maintain a system to monitor, collect, and
5 resolve customer complaints and shall make the information
6 available to the department, the house and senate appropriations
7 subcommittees on transportation, and the house and senate fiscal
8 agencies.

9 Sec. 714. The department, in cooperation with local transit
10 agencies, shall work to ensure that demand-response services are
11 provided throughout Michigan. The department shall continue to work
12 with local units of government to address the unmet transit needs
13 in Michigan.

14 Sec. 721. For federal transit administration bus acquisition
15 capital grants matched with CTF funds appropriated in part 1,
16 transit agencies shall have 4 years from the federal approval date
17 to carry out their projects. Contract line items unobligated 4
18 years after the federal approval date may be matched with CTF funds
19 only up to 15% in the fifth and subsequent years. "Unobligated"
20 means any line item in the contract that is not committed to a
21 third party or purchase order. A waiver shall be granted by the
22 department for an additional year with documented justification
23 from the transit agency accompanied by a resolution from the board
24 or authority seeking a waiver. If a transit agency does not carry
25 out a line item activity in a specific authorization and the
26 transit agency requests funds in a new authorization for that same
27 activity, the line item shall be matched at up to 15%. This section
28 applies only to bus acquisition capital grants. Lapsed funds under
29 this section shall remain in the CTF.

1 **AERONAUTICS FUND**

2 Sec. 801. At the close of the fiscal year, any unobligated and
3 unexpended balance in the state aeronautics fund created in the
4 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
5 to 259.208, shall lapse to the state aeronautics fund and be
6 appropriated by the legislature in the immediately succeeding
7 fiscal year.